

The committee appointed on the part of the Senate and the House of Representatives appeared at the door and announced the presence of the Governor, who came forward and delivered his message as follows:

*To the Honorable, the General Assembly of North Carolina:*

The last two years has been an era of substantial progress. The energy of the State has been manifest in her industrial and social development. Agriculture has improved. Trade and manufacturing have increased. The European war has depressed values and depressed business, but already conditions are improving and the determination and intelligence of the people are prevailing over unexpected disaster. The sudden fall in the price of cotton, resulting from the closing of the markets by war, and our unprecedented crops, have caused a shock that demoralized business and discouraged enterprise. The present crop falls short of its expected value by millions of dollars. This calamity has fallen heavy. It has brought disaster to many that are industrious and worthy. The President of the United States and the Secretary of the Treasury have demonstrated that the administration at Washington is in sympathy with the producers of the country. They are exercising and are ready to exercise all the powers of the Federal Government for protection against untoward disaster. But no power of government can defy world-wide economic conditions, and any plan to valorize cotton or to compel all the people by legislation to buy this staple at a price above its market value, is in my opinion unsound morally and economically, and must result in failure and disappointment, whether attempted by the Federal Government or by the State Government. We have been blessed with years of advantageous circumstances, and will triumphantly overcome this reverse.

If the present unfortunate situation can demonstrate to our farmers the necessity of diversifying crops, of producing meat and bread at home, the present misfortune will result to our permanent good.

Within the last two years the principal differences between the people and the railroads as to transportation of merchandise have been adjusted. For years our people suffered from adverse discrimination and excessive rates. While we did not secure on interstate rates the reductions to which we were entitled, the best available adjustment was made. By this a saving estimated at \$2,000,000 a year on interstate commerce was secured. But of far greater consideration is the placing of our enterprises on a fairly competitive basis with the enterprises of the State of Virginia. Industries heretofore attracted to Virginia will remain with us. Our towns and cities feel the impulse and the people will ultimately be benefited.

Charges for the transportation of freight within the State have been fixed by a commission appointed by the Governor in accordance with a statute of the last General Assembly. The railroads have applied the reduced rates fixed by the commission. Intrastate commerce will be encouraged to the welfare of all sections of the State. The people have accepted the judgment of the commission as wise and just.

A strong and determined public sentiment brought about these adjustments. The sovereignty of the people was asserted. They will deal firmly and justly with the common carriers, and it is fair to say that the railroads have come to recognize the controlling power of the people and have mani-